
SENATE BILL 5431

State of Washington 60th Legislature 2007 Regular Session

By Senators Rasmussen, Schoesler, Jacobsen, Parlette, Hatfield and Shin

Read first time 01/19/2007. Referred to Committee on Agriculture & Rural Economic Development.

1 AN ACT Relating to a state public utility tax deduction for certain
2 transportation activities with respect to agricultural commodities; and
3 amending RCW 82.16.050.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.16.050 and 2006 c 336 s 1 are each amended to read
6 as follows:

7 In computing tax there may be deducted from the gross income the
8 following items:

9 (1) Amounts derived by municipally owned or operated public service
10 businesses, directly from taxes levied for the support or maintenance
11 thereof(~~(:—PROVIDED, That)~~). This ((~~section shall~~)) subsection may
12 not be construed to exempt service charges which are spread on the
13 property tax rolls and collected as taxes;

14 (2) Amounts derived from the sale of commodities to persons in the
15 same public service business as the seller, for resale as such within
16 this state. This deduction is allowed only with respect to water
17 distribution, gas distribution or other public service businesses which
18 furnish water, gas or any other commodity in the performance of public
19 service businesses;

1 (3) Amounts actually paid by a taxpayer to another person taxable
2 under this chapter as the latter's portion of the consideration due for
3 services furnished jointly by both, if the total amount has been
4 credited to and appears in the gross income reported for tax by the
5 former;

6 (4) The amount of cash discount actually taken by the purchaser or
7 customer;

8 (5) The amount of bad debts, as that term is used in 26 U.S.C. Sec.
9 166, as amended or renumbered as of January 1, 2003, on which tax was
10 previously paid under this chapter;

11 (6) Amounts derived from business which the state is prohibited
12 from taxing under the Constitution of this state or the Constitution or
13 laws of the United States;

14 (7) Amounts derived from the distribution of water through an
15 irrigation system, for irrigation purposes;

16 (8) Amounts derived from the transportation of commodities from
17 points of origin in this state to final destination outside this state,
18 or from points of origin outside this state to final destination in
19 this state, with respect to which the carrier grants to the shipper the
20 privilege of stopping the shipment in transit at some point in this
21 state for the purpose of storing, manufacturing, milling, or other
22 processing, and thereafter forwards the same commodity, or its
23 equivalent, in the same or converted form, under a through freight rate
24 from point of origin to final destination; ~~((and))~~

25 (9) Amounts derived from the transportation of commodities from
26 points of origin in the state to an export elevator, wharf, dock or
27 ship side on tidewater or its navigable tributaries ~~((thereto from~~
28 ~~which such commodities are))~~ to be forwarded, without intervening
29 transportation, by vessel, in their original form, to interstate or
30 foreign destinations~~((: PROVIDED, That))~~. No deduction ~~((will be))~~ is
31 allowed under this subsection when the point of origin and the point of
32 delivery to ~~((such an))~~ the export elevator, wharf, dock, or ship side
33 are located within the corporate limits of the same city or town;

34 ~~((9))~~ (10) Amounts derived from the transportation of
35 agricultural commodities, not including manufactured substances or
36 articles, from points of origin in the state to interim storage
37 facilities in this state for transshipment, without intervening
38 transportation, to an export elevator, wharf, dock, or ship side on

1 tidewater or its navigable tributaries to be forwarded, without
2 intervening transportation, by vessel, in their original form, to
3 interstate or foreign destinations. If agricultural commodities are
4 transshipped from interim storage facilities in this state to storage
5 facilities at a port on tidewater or its navigable tributaries, the
6 same agricultural commodity dealer must operate both the interim
7 storage facilities and the storage facilities at the port.

8 (a) The deduction under this subsection is available only when the
9 person claiming the deduction obtains a certificate from the
10 agricultural commodity dealer operating the interim storage facilities,
11 in a form and manner prescribed by the department, certifying that:

12 (i) More than ninety-six percent of all of the type of agricultural
13 commodity delivered by the person claiming the deduction under this
14 subsection and delivered by all other persons to the dealer's interim
15 storage facilities during the preceding calendar year was shipped by
16 vessel in original form to interstate or foreign destinations; and

17 (ii) Any of the agricultural commodity that is transshipped to
18 ports on tidewater or its navigable tributaries will be received at
19 storage facilities operated by the same agricultural commodity dealer
20 and will be shipped from such facilities, without intervening
21 transportation, by vessel, in their original form, to interstate or
22 foreign destinations.

23 (b) As used in this subsection, "agricultural commodity" has the
24 same meaning as agricultural product in RCW 82.04.213;

25 (11) Amounts derived from the production, sale, or transfer of
26 electrical energy for resale within or outside the state or for
27 consumption outside the state;

28 ((+10+)) (12) Amounts derived from the distribution of water by a
29 nonprofit water association and used for capital improvements by that
30 nonprofit water association;

31 ((+11+)) (13) Amounts paid by a sewerage collection business
32 taxable under RCW 82.16.020(1)(a) to a person taxable under chapter
33 82.04 RCW for the treatment or disposal of sewage;

34 ((+12+)) (14) Amounts derived from fees or charges imposed on
35 persons for transit services provided by a public transportation
36 agency. For the purposes of this subsection, "public transportation
37 agency" means a municipality, as defined in RCW 35.58.272, and urban
38 public transportation systems, as defined in RCW 47.04.082. Public

1 transportation agencies shall spend an amount equal to the reduction in
2 tax provided by this tax deduction solely to adjust routes to improve
3 access for citizens using food banks and senior citizen services or to
4 extend or add new routes to assist low-income citizens and seniors.

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